No. 15540

In the

# United States Court of Appeals

*For the Ninth Circuit*

C. MARTIN WELCH,

*Appellant,*

vs.

EUGENE L. GRINDLE,

*Appellee.*

## Appellant's Reply Brief

NAYLOR & NEAL
JAS. M. NAYLOR
FRANK A. NEAL
401 Russ Building
San Francisco 4, California
*Attorneys for Appellant*



PARKER PRINTING COMPANY, 180 FIRST STREET, SAN FRANCISCO 5

## SUBJECT INDEX

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## Appellant's Reply Brief

There is no necessity for, nor does space permit, a word or word reply to Appellee's Brief. Appellee is held up as a paragon of virtue and his claim of inventorship is represented as being so well authenticated as to preclude the necessity of looking at both sides of the case, but Appellee overlooks a number of factors which water down or completely refute his contentions.

It will therefore, be the purpose of this brief to point out the absence of substance in several of Appellee's basic arguments advanced in his Brief. The remaining points were covered in Appellant's Opening Brief and need not be reargued here.

**Appellee Fails to Bridge the Gap Between His Impracticable Co cept of a Dipstick and the Device of the Welch Patent an Hence His Claim of Inventorship Falls to the Ground.**

It is argued (Appellee's Brief pages 18-19; 70-74) tha Grindle *redesigned* the Dipstick to incorporate the use c standard plastic extrusions and that, for this reason, Welc was not the true inventor of the subject matter of his paten

It is undisputed, of course, that Grindle had a "concep of a dipstick and that drawing A-14.123.116 (Plaintiff Exhibit 6) and the replica model (Plaintiff's Exhibit 5) di close this impracticable structure. We say impracticab because it called for an extrusion that could not be econor ically made. That concept is wholly different from the devi that forms the subject matter of the Welch Patent, as wa demonstrated in Appellant's Opening Brief (pages 20-28. Appellee uses drawing D-32.061.114 (Plaintiff's Exhibit 8 in an effort to show that Grindle kept on going with h so-called inventive work and that drawing D-32.061.114 d- closes the ultimate end of his asserted acts of invention.

This places a considerable strain on the facts. Drawig D-32.061.114 (Plaintiff's Exhibit 8) was made by the draf- man (Chong) under Grindle's instructions *after* Welch h called on Grindle to report his findings with respect to te impractical extrusion device and had disclosed to him te basic elements of a practical device (TR. 104-109). At th t time Mr. Welch was possessed of knowledge imparted o him by Mr. Kerr as to what the basic, desirable componens of the improved dipstick should be. It is not strange, the- fore, that Grindle was able to cause Chong to produce a drawing which embraced the basic components of the d- stick that was finally adopted.

A significant fact is that the original of Pan Am drawig D-32.061.114 (Plaintiff's Exhibit 8) was made on Vell m paper in pencil and was amended from time to time, acco l-

ng to established practice, to incorporate changes in the tructure (TR. 275-277). Other changes were made in the asic Vellum drawing to conform to the device produced by Ir. Welch (TR. 447-450; Defendant's Exhibit P).

Great store is put upon the fact by Appellee that Grindle named on drawing D-32.061.114 (Plaintiff's Exhibit 8) as ie designer of the dipstick shown thereon. It is submitted iat there is no fetish in the word "design" and its presence n the drawing does not aid Grindle in his claim that he ivented that which is shown thereon. It was a word of his ioice and it was within his power to employ it. If it fed his go to place it there, or to indicate to his employer that he ad carried out his assignment, that would still not vary the ontrolling facts.

Thus here Appellee confuses his *adoption* of ideas conveyed to him by Appellant as to how a practical dipstick ight be made, with the act of invention. Grindle's inventive ork ceased with his disclosure of the impracticable extruon device to Welch (Plaintiff's Exhibit 6). From then on he erely embraced or adopted the inventive work of Welch nd was content to use it in carrying out the project asgned him by his employer, Pan American.

### Welch's So-called Price Agreement with Grindle and/or Pan American Is Immaterial to the Issues of This Case.

Grindle's argument that a so-called "price agreement" or ie asserted violation of it supports his case borders on the antastic.

It is true, of course, that Welch and Grindle (as the agent f Pan American and not in his individual capacity) agreed n a price to be charged Pan American for the Dipsticks ade by Welch. This much is shown by Plaintiff's Exhibit 1 wherein the price is specified at $3.25 each (Cf. Plaintiff's Exhibit 13 wherein the price was approximated at $3.00 ach).

For purposes of argument, we may assume also th Welch was making a price concession to get or land an ord and that this may have figured in the giving of the relea of June 10, 1948 (Plaintiff's Exhibit 12). But does tht mean, as Appellee, in effect, argues, that Welch was forev after obligated to maintain the initial price regardless f all other considerations, such as universally accepted ct increases, in order to retain the benefits of the release? Te answer is obviously in the negative and spelled out in te record itself.

In the first place, it was conceded by Appellee that te release contained no such terms or terminology (TR. 13). In the second place, Grindle, acting as the agent of his e- ployer, and Pan American, acting independently of Grine, *renegotiated* the price of the dipsticks with Welch from tie to time (TR. 149-152; Plaintiff's Exhibit 20; TR. 164).

Thus, Grindle and Pan American approved all pre increases for the Dipsticks and may not now be heard to y that there was any breach or violation by Welch of a "pre agreement". The facts of the case plainly puncture Appl- lee's argument (Brief, p. 70) that there was a total failre of consideration for the release.

But lurking in the background of all this is the pecuiar argument that in some inexplicable fashion Grindle's ese here is fortified or strengthened by the Welch-Pan An-rican price relations on Dipsticks. The total immateriality of that facet is so obvious as to preclude any necessity for e- orizing with Appellee as to how or why he should be ble to improve his position by referring to it.

### Appellee's Attempt to Spell Out a Justiciable Controversy Borers on the Ridiculous.

Appellee argues (Brief pages 46-48 and 63-67) that he formation of an intent to manufacture and sell dipstiks,

lus what he says he had done by the time of trial, as set orth in the original complaint and the amended and supplemental complaint, gave rise to a controversy justiciable nder the Declaratory Judgment Act. But when the several cts are considered separately and collectively, they do ot measure up to the requirements of the Statute.

The best that Appellee can make out is the creation of the ppearance of an intent to do something. Not that he inended doing it, but rather he would declare that it was his ate of mind to take a few faltering steps toward infringeent of the Welch patent. Here Grindle entertained the istaken belief that mere *advisory opinions* are obtainable nder the Declaratory Judgment Act.

As part of this mummery at creating the appearance of justiciable controversy, the final bit of sleight-of-hand was e giving by Grindle to his corporation (Deterjet Corporaon) of an oral *license* to manufacture and sell dipsticks. "license" based on what? Grindle was not vested with any atent rights relative to a dipstick because he had long nce abandoned any and all claims by his admitted failure file and process an application on that which he claims he eveloped. If the so-called "license" was predicated upon e Pan American release of October 6, 1954 (Defendant's xhibit A), it was put upon form without substance, because rindle and Pan American had both long since abandoned e very subject matter of such release.

So also the other "acts" enumerated by Appellee, at page 3 of his Brief, will not bear scrutiny because, at most, they erely represent a series of motions at preparation for a urney never taken.

Under these circumstances, it is respectfully submitted at the District Court lacked jurisdiction because there was o such justiciable controversy between the parties as was

cognizable under the Declaratory Judgment Statute an Appellant's Motion to Dismiss made at the conclusion of t Appellee's case on such grounds (TR. 356-364) should hav been granted.

**The Broad Aspects of the Case Suggest that Appellee Brought H Action Out of Spite and Point Up the Fact That, as a Sto Claim, It Should Have Been Dismissed.**

Appellee's claim was put upon the dual ground that t Welch patent should be assigned to him or be declar invalid. The District Court decided against him on t first point and for him on the second, despite the absen of a showing of the existence of a *bona fide,* justiciab controversy. When the case is looked at in its broad aspects and its objectives are weighed, one is prompt to inquire why the action was commenced and so vigorous prosecuted.

Grindle and Welch were friends (TR. 198; 506-507; 6 691). In the period of their friendship an invention cam into being and Grindle personally authored a release (Pla tiff's Exhibit 12) of the invention from Pan American o Welch (and impliedly from Grindle) to market the dev e as Welch saw fit. Welch, in reliance on the release, esta lished a business. At the time of his preparation of te release, Grindle attached no significance or importance o the presence or absence of an invention or the fact tha a patent might eventuate. He chose to remain silent on e matter of the assertion of a claim of patent rights eith r on behalf of himself or his employer. Instead, he stood y and watched Welch's business grow and had knowledge r chargeability of knowledge that Welch had applied for a d was granted Letters Patent on the device.

Following a period of years (1948-1953) Grindle was alvanized into action by his discovery, so he says, that Velch had obtained a patent. From a state of complete ıdifference to the commercial fare of the Dipstick, Grindle ›rang to demand an assignment of the patent to him, ‡gardless of whether it was invalid, as he now so vehement- declares. Failing in that, Grindle, with the aid of his ›unsel, began the performance of a series of provocative ‡ts designed to stir up a mock controversy that might lead › the destruction of that which he had coveted but could ›t attain, namely, title to the Letters Patent in suit.

Appellee's case does not ring true. It has every appear- ıce of a spite action and shows a "dog-in-the-manger" ‡titude that should have failed to elicit sympathy. Indeed, ıe action should have been thrown out as one rooted in a ale claim.

It is respectfully submitted that it would be fitting and roper for this Court to remand the case to the District ourt with directions to dismiss it for lack of jurisdiction ‡ a genuine justiciable controversy.

## CONCLUSION

For the reasons advanced in this and Appellant's Open- ıg Brief, it is respectfully submitted that the Court should ‹verse the judgment of the District Court as one based pon clearly erroneous findings, with directions to dismiss ppellee's stale claim for lack of jurisdiction.

Respectfully submitted,

NAYLOR & NEAL
By JAS. M. NAYLOR
*Counsel for Appellant*

RANK A. NEAL
*Of Counsel*